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FIRST COUNTRY COOPERATION FRAMEWORK FOR SAINT LUCIA (1997-1999)

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INTRODUCTION

1. The first country cooperation framework (CCF) for St. Lucia is the result of a consultation process with the Government. It culminated in a meeting between UNDP and government representatives in Barbados in May 1997 and reflects the consensus that emerged on the main strategic, substantive and operational aspects of the CCF. This document describes UNDP plans for cooperation with St. Lucia for the period 1997-1999.

2. The CCF has benefited from the results of the 1995 mid-term review of the third country programme and from government policy statements and documents, in particular the 1996 budget address and estimates, the medium-term Economic Strategy Paper 1996-1998, the St. Lucia report of the National, Economic and Social Consultative Council meeting in April 1995 and the St. Lucia Poverty Assessment Survey (PAS) undertaken by the Caribbean Development Bank (CDB) in 1995. Consultations were also held with United Nations agencies, donors, regional institutions and non-governmental organizations (NGOs) during the preparation of the CCF.

I. DEVELOPMENT SITUATION FROM A SUSTAINABLE HUMAN DEVELOPMENT PERSPECTIVE

3. St. Lucia covers an area of 616 sq km and has a coastline of 158 km. Its total mid-1995 population was estimated at 145,213. The 1994 gross domestic product (GDP) per capita is $US 2,678.

4. St. Lucia's economy recorded relatively high annual growth rates between 1985 and 1994. Real GDP for this period averaged about 6.6 per cent per annum. The key contributors to the economy were agriculture, particularly banana production, manufacturing and tourism, which grew from 8.4 per cent in 1994 to 11.4 per cent of GDP in 1997. The Government was the major stimulant of the economy, accounting for 13.5 per cent of GDP in 1994. By 1995, the average annual growth rate had declined to 2.5 per cent while the economy grew even less vigorously in 1996. World Bank estimates project that the economy could slow to 1.5 per cent in the medium term.

5. Given the new difficulties and opportunities of increasing globalization and the trade liberalization under the terms of the World Trade Organization, the major challenges for St. Lucia are to diversify the agricultural sector, to restructure the economy away from an overwhelming dependence on bananas to service industries, particularly tourism, informatics and financial services, and to promote growth and macroeconomic stability.

6. Poverty reduction and sustainable livelihoods. With a 1996 human development index of 0.733, and a global ranking of 76 out of 137 countries, St. Lucia's human development attainment compares favourably with the regional average of 0.824 for Latin America and the Caribbean. According to the PAS in 1995, 5.3 per cent of the households in St. Lucia are indigent. Approximately 30 per cent of the rural population lives below the poverty level and less than 20 per cent of these have completed secondary school education. Although

St. Lucia has achieved almost universal immunization of children in respect of tetanus, polio, tuberculosis, measles and diphtheria, there are problems of access to clean, potable water as well as improper and inadequate garbage and human waste disposal. Poverty in St. Lucia is more pronounced in rural than urban areas, with 16.3 per cent of the urban population and 29.6 per cent of the rural population living in poverty. With an unemployment rate of 16.2 per cent, the Government is keenly aware of the need to avert the social problems that unemployment and poverty generate.

7. Gender. Despite the positive impact of the National Policy on Women which the Government adopted in 1991, much needs to be done to promote the advancement of women. Women constitute 22.5 per cent of the unemployed, a figure almost double that of men (11.7 per cent). St. Lucia has the highest rate of single-parent households in the region, accounting for nearly 42.8 per cent and most of these are female-headed households. St. Lucia has the highest fertility rate of all the islands in the eastern Caribbean, and a very high teenage pregnancy rate of 81 per cent. Unemployment among the youth is around 30 per cent, and is higher among females. While public awareness population programmes of the social planning sector appear to be yielding positive results in reducing the rate of population growth and teenage pregnancy, a lot more needs to be done to arrest the potential feminization of poverty. Poverty-reduction strategies will have to be gender sensitive and interventions especially targeted at women who constitute the majority of the rural poor.

8. Environment. The main areas of environmental concern are: liquid and solid waste management, water resources management, coastal zone and marine resource management, improper land use and deforestation. These areas of concern have been formally drafted into a National Environmental Action Plan out of which resulted the following plans of action: (a) implementation of the Organization of Eastern Caribbean States waste management project; (b) in conjunction with the foregoing, the preparation of comprehensive solid waste management, legislation, coverage, storage, collection, transportation and disposal; and the development of landfills; (c) increase of the water catchment areas to meet expected future demand for water; (d) enacting and enforcement of legislation to protect land contiguous to rivers; and (e) development of a coastal zone management plan for north-east St. Lucia, adoption of a new Land Development Control Act and preparation of a national land use plan. There are also projects onstream to continue the forestry management plan and to complete the development of a watershed management plan.

9. Governance and management development. In order to achieve the country's medium-term goals (see paragraph 10 below), the Government wishes to institutionalize a process of consensus-building among key social partners on economic goals and national sustainable human development priorities. To this end, the Government has established two bodies comprising representation from the Government, the private sector, NGOs and community-based organizations. The National Economic Development Commission and the National Economic and Social Council will serve as consultative bodies for guiding policy and action with respect to poverty reduction programmes in critical areas such as economic growth strategies, productivity enhancement, wages and prices, and employment generation. The social planning section in the Ministry of Planning will coordinate the Poverty Reduction Programme.

10. Government goals and priorities. The Government's major medium-term development objectives are: (a) promotion of broad-based economic growth and development within a competitive environment; (b) revitalization and reorganization of the banana industry; (c) increasing domestic savings and enhancing public finances in order to finance supporting infrastructure investments; (d) enhancing modernization of the public service and the development of the human resource base through targeted skills training and retooling of the labour force; and (e) protection of the environment. Strong emphasis is being placed on private sector involvement and on the creation of linkages among the leading sectors of the economy.

II. RESULTS AND LESSONS OF PAST COOPERATION

11. UNDP third country programme (1992-1996) focused on three areas of concentration: (a) environment and natural resource management; (b) management development; and (c) gender, population and development. Important strides were made in the first of these areas whilst more investment is needed in the other two areas.

12. As a follow-up to the Global Conference on Small Island Developing States (Barbados, 1994), and with funds from the Capacity 21 programme, the Government has undertaken several initiatives to tighten development controls and foster innovative and participatory means to protect the environment while encouraging activities geared towards expanding economic growth. UNDP supported the building of institutional capacity for physical planning, rationalizing and updating of current planning legislation and reviewing environmental regulations. With the support of the United Nations Volunteer programme (UNV) and the United Nations Centre for Human Settlements, the physical planning unit has been able to reactivate an unutilized development control approval system and has completed installation of a Geographic Information System (GIS). Many other ideas regarding the future of the GIS within the community are being generated.

13. UNDP technical cooperation in public sector management development in the fifth cycle focused on the development of human resources and the installation of a career-planning classification system with performance standards and payment schemes. There is insufficient evidence that the investment in technological inputs, namely the Human Resource Management Information System, is having the expected results. It should be noted that the Capacity 21 project, through its sustainable development councils, has enhanced the awareness of and the commitment to participatory decision-making processes. In time, this will have a positive impact on public sector management.

14. UNDP cooperated with the Government in the elaboration of national policies on women and development, and on population. In order to implement the policy on women and development successfully, focal points of the women's bureau in the ministries require sufficient seniority to influence decision-making. In general, investments in capacity-building and training were lost due to the resignation of counterpart staff after training. It is hoped that the ongoing reforms in the public sector will incorporate career incentives as a long-term capacity-building strategy.

15. One important lesson learned is that national execution has been useful and should be continued. It facilitated the leading role of national professionals and institutions in the preparation and implementation of programmes and projects, thus ensuring these programmes' continuity. A second lesson is the great value of participatory decision-making processes, as demonstrated in the physical planning project. The experience gained under this project will serve to strengthen the national consultation process and consensus-building through the National Economic Development Commission and the National Economic and Social Council. The third lesson is that the use of UNV specialists is cost-effective and should be continued. At another level, the experience of the fifth cycle has demonstrated that substantive reforms and changes in the public sector should be accompanied by organizational and technological transformations and vice versa. Finally, the need for close monitoring and timely, participatory evaluations should be emphasized.

III. PROPOSED STRATEGY AND THEMATIC AREAS

A. Proposed strategy

16. Limited core programme resources have greater impact if targeted at strategically selected interventions in promoting sustainable human development and in mobilizing resources. UNDP proposes to support: (a) interventions designed to strengthen the Government's capacity to create an enabling environment for the formulation and implementation of long-term poverty reduction strategies and action plans; (b) capacity-building for efficient public sector management; and (c) strengthening mechanisms for collaboration with NGOs and the private sector. UNDP strategy will also emphasize collaboration with the UNV programme, use of the technical cooperation among developing countries (TCDC) modality, particularly twinning arrangements that were successfully utilized during the last cycle, and development of professional networks between national and regional institutions, think-tanks and NGO communities through greater use of information technology. Strategic alliances will be established with other partners, particularly those working in poverty reduction, for example, the European Union, CDB and the British Development Division. The first CCF will also benefit from linkages with similar activities in the regional and sub-regional UNDP programmes.

B. Thematic areas

17. Poverty reduction and sustainable livelihoods. The World Summit for Social Development (Copenhagen 1995) and the Fourth World Conference for Women (Beijing 1995), have mandated UNDP to support the follow-up to the respective plans of action, emphasizing poverty eradication. The first CCF for St. Lucia will contribute to fulfilling these mandates, as well as achieving related government goals.

18. Based on the PAS undertaken in 1995, the Government prioritized the following poverty reduction activities: (a) creation of new employment opportunities by promoting micro-enterprise development programmes that are accessible to the poor and are linked to the needs of the labour market;

(b) improving the quality, efficiency and equity in the delivery of social services, especially basic health and education targeted at the poor; (c) improving social safety nets; (d) establishing poverty monitoring and evaluation tools; (e) formulating strategies and action plans; and (f) strengthening units charged with implementing these plans. UNDP support will seek to strengthen the capacity of the institutions charged with the design, implementation, monitoring and evaluation of the poverty eradication plan. The focus will be on: building national consensus through a national consultative process; on developing specific action plans; and on supporting the establishment and/or restructuring of the institutional framework within which sustained government action in poverty reduction can be rendered in the medium and long term. The approach will be holistic, taking into account gender and population issues.

19. Given the high incidence of unemployment among women and youths, the Government plans to create a national service scheme that will pay specific attention to their needs. The scheme will work in conjunction with the Youth Entrepreneurial Scheme, the Small Enterprise Development Unit and the National Research and Development Foundation. UNDP will focus on approaches and interventions that will generate employment as well as empower women to develop their full potential. Collaboration and technical assistance of UNV specialists and other United Nations agencies such as the United Nations Development Fund for Women (UNIFEM), the United Nations Population Fund (UNFPA) and TCDC in the design of such interventions and training in skills development will also be actively pursued.

20. The main expected outputs under this component of the first CCF for St. Lucia are: (a) a poverty reduction plan that reflects, among other things, gender and population issues in place; (b) a unit with responsibility to coordinate poverty reduction programmes in place and functioning; (c) complementarity in the plans of key government agencies directly involved with the implementation of the poverty reduction plan; and (d) mechanisms in place that enable effective civil society and private sector participation in the policy-making process. Success will be measured by: (a) the existence and use of a disaggregated database in the social planning section of the Ministry of Planning, that serves as a tool to monitor the poverty reduction programme and that informs ongoing policy discussions; (b) an inter-ministerial coordination team in place, and programmes of the planning ministry and line ministries complementing each other; (c) an ongoing dialogue between representatives of the Government, civil society and the private sector; (d) a housing policy, strategy and action plan, reflecting gender and population issues, formulated and being implemented; and (e) the institutional infrastructure of the national health insurance plan in place. The indicators will be reviewed mid-term and at the end of the period of the first CCF.

21. Governance and management development. UNDP has been actively involved in the debate about governance and the critical importance of democratic governance for development. The ongoing modernization and reform of the public sector and establishment of the National Economic Development Commission and the National Economic and Social Council demonstrate the Government's commitment to long-range participatory planning and promoting public sector efficiency. UNDP cooperation provided for capacity-building and institutional strengthening in

economic, social, environmental and physical development planning, and management will aim at enhancing the strategic planning, decision-making, and negotiation and management skills of the institutions charged with these tasks.

22. The major anticipated outputs under this component of the first CCF for St. Lucia are: (a) establishment of a mechanism in the planning ministry allowing participatory, multidisciplinary planning; and (b) consolidation of the National Economic Development Commission and the National Economic and Social Council and their integration into government decision-making processes. Success will be measured by: (a) the number of decisions that are informed by multidisciplinary analysis; (b) the number of recommendations from the Commission and the Social Council acted upon; and (c) the extent to which civil society's participation has increased, taking into account gender and geographical distribution. The indicators will be reviewed mid-term and at the end of the period of the first CCF.

IV. MANAGEMENT ARRANGEMENTS

A. Execution and implementation arrangements

23. During the fifth cycle, national execution will be the preferred execution modality. The Government has gained adequate experience and the country office will continue to provide support and training to enhance programme implementation under national execution. Where technical capacity does not exist, the agency execution will be utilized. There will be greater efforts at collaborating with regional institutions and NGOs in the execution and implementation of the programme, whilst the UNV and TCDC programmes will also be utilized where appropriate.

B. Monitoring, review and reporting

24. The CCF will be subject to standard UNDP periodic reviews, including project annual reviews and in-depth evaluations where merited, progress reports and in-depth triennial reviews. Where the national execution modality is used, a joint programme management committee, including representatives from the Government, UNDP, and key donors will review the inputs, contents and progress of the programme on a six-monthly basis. Overall, efforts will be made to ensure greater participation of all stakeholders at the country level in the review process especially regional organizations, United Nations agencies, funding agencies and NGOs. Possibilities for cluster evaluations will be explored. Such evaluations will be headed by a national consultant. Attempts will be made to establish benchmarks to facilitate monitoring and assessment of the overall impact of UNDP-supported interventions.

C. Resource mobilization

25. Following a decade of considerable donor support, St. Lucia is experiencing a significant decline in external assistance. An overview of multilateral and bilateral financing trends suggests that funding from official sources to

St. Lucia is likely to continue to decline and external technical cooperation through OECS and the Caribbean Community to become the norm.

26. UNDP core resources have been reduced considerably. The challenge will be to utilize the limited resources to mobilize government and other funds for the programme. UNDP will emphasize building strategic alliances with other United Nations agencies, bilateral and multilateral donors (especially BDD, the European Union and the Organization of American States), and the regional and international financial institutions (World Bank, Inter-American Development Bank, CDB, Caisse Française) to enhance the impact of its support. Efforts will be made to raise funds from the private sector. UNDP will focus on the mobilization of additional funds for the CCF, and will work closely with the Government to strengthen the coordination of United Nations programmes and of other external donor inputs. Resources will be tapped from the Latin American and Caribbean regional programme, especially in the areas of poverty reduction and governance and management development.

27. The resource mobilization target table in the annex reflects the total core and non-core resources that are expected to be available to support the UNDP programme from 1997 through 1999. Given the small size of the target for resource assignment from the core resources, the UNDP programme will by and large depend heavily on government cost-sharing.

Annex

RESOURCE MOBILIZATION TARGET TABLE FOR SAINT LUCIA (1997-1999)

(In thousands of United States dollars)

Source	Amount	Comments
UNDP CORE FUNDS		
Estimated IPF carry-over	100	
TRAC 1.1.1	186	Assigned immediately to country.
TRAC 1.1.2	0 to 66.7 per cent of TRAC 1.1.1	This range of percentages is presented for initial planning purposes only. The actual assignment will depend on the availability of high-quality programmes. Any increase in the range of percentages would also be subject to availability of resources.
SPPD/STS	40	
Subtotal	326[a]	
NON-CORE FUNDS		
Government cost-sharing	200	
Sustainable development funds	40	GEF
Third-party cost-sharing	-	
Funds, trust funds and other	-	
Subtotal	240	
TOTAL	566[a]	

[a] Not inclusive of TRAC 1.1.2, which is allocated regionally for subsequent country application.

Abbreviations: GEF = global environment facility; IPF = indicative planning figure; SPPD = support for policy and programme development; STS = support for technical services; and TRAC = target for resource assignment from the core.